

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Sixth Oregon Legislative Assembly
2012 Regular Session
Legislative Revenue Office**

Bill Number:	SB 5702 - A
Revenue Area:	Lottery Funds
Economist:	Mazen Malik
Date:	03-05-2012

Measure Description: Adjusts, for biennium beginning July 1, 2011, specified allocations from Administrative Services Economic Development Fund to specified state agencies.

Revenue Impact (in \$Millions): The measure adjusts for shortfall of Lottery revenue from the close of session forecast. The \$35.6 million total revenue shortfall is divided among several constitutional and statutory uses. The budget is adjusted to compensate for the \$35.6 million shortfall. The reduction in the allocation (from the CFA) amounts to DPSST (\$873,897) results in an increase in the transfer to the general fund (from the CFA) by the same amount.

Impact Explanation:

The Oregon Lottery collects revenues from traditional and video lottery. It pays player prizes and its operating expenses out of the gross revenues and then transfers the balance (net profits) to the Economic Development Fund (EDF). The Department of Administrative Services then distributes funds to the constitutional and statutory funding priorities, including Legislative allocations. The March 2012 revenue forecast for available lottery funds in this biennium is \$35,583,512 below the resources (\$1,095,418,099) assumed for the 2011-13 Legislatively Adopted Budget. The Committee action uses assumed lottery resources ending balance and other adjustments to move required funds to the debt service allocation.

Total Available Resources reductions	(\$35,583,523)
Constitutional Dedications reductions	
Education Stability Fund (18%)	(6,405,019)
Parks and Natural Resources Fund (15%)	(5,337,516)
Other reductions	
statutory allocation and Legislative appropriations	(23,840,988)
	(35,583,523)

Ending balance (COS) discretionary Resources	27,522,376
Reduction in statutory allocation and Legislative appropriations	(23,840,988)
Amounts that can be shifted to different categories	3,681,388

Freed allocation for Shifts between categories		
Collegiate Athletics	(Allocation Reduction)	232,960
Gambling Addiction	(Allocation Reduction)	390,969
Other Legislatively Adopted	(Allocation Reduction)	3,494,895
		4,118,824

Total resources available for shifts	7,800,212
Debt Service on Lottery Bonds	(Allocation Increase) (7,800,212)

Ending Balance after rebalance **\$0.0**

See Fiscal Impact Report for more details on shifts and rebalance.

The transfer from CFA to the general fund occurs after all the allocations take place. If the allocation is reduced, then the transfer to the general fund increases as a result.